



SINCE 1960

AL-KHAIR GADOON LTD.

ANNUAL
REPORT | **2023**

www.alkhairgadoon.com





NO. No.	CONTENTS	PAGE No.
1	Vision & Mission Statement	1
2	Company Profile	2
3	Certifications	3
4	Company Information	4
5	Our Journey	5
6	Product Portfolio	6-9
7	Organizational Structure	10
8	Code of Conduct	11
9	Financial Highlights	12-13
10	Notice of Annual General Meeting	14-16
11	Chairman's Review Report	17-22
12	Director's Report to the Members	23-34
13	Statement of Compliance with Code of Corporate Governance	35-36
14	Independent Auditor's Review Report on Statements of Compliance (Continued in List of Companies (Code of Corporate Governance) Regulations 2019)	37
15	Independent Auditor's Report to The Members	38-41
16	Statement of Financial Position	42
17	Statement of Profit or Loss and Other Comprehensive Income	43
18	Statement of Cash Flows	44
19	Statement of Changes in Equity	45
20	Notes to the Financial Statements	46-53
21	Pattern of Shareholding	54-55
22	Index Page	56



Our VISION

To be the preferred choice of customers by creating innovative, comfortable and affordable brands in their everyday lives for the greater good.

Our MISSION

To provide a wide range of affordable, well-designed and functional home furnishing products in Pakistan, with an outstanding quality and service, that ensures the satisfaction of all our stakeholders, improving every life associated with AKG.



110+

Employees



350+

Store Outlets



45%

Exportation Revenue
Total Revenue



33%

Apprentices
Total Staff



35+

Hours of Innovation



1100+

Stores nationwide

**COMPANY INFORMATION****BOARD OF DIRECTORS**

Mr. Mohamed Alal Shalh	Chairman
Mr. Mohamed Amin Shalh	Chief Executive
Mr. Mohamed Saad Shalh	Non-Executive Director
Mrs. Farwa Alal	Non-Executive Director
Mrs. Farwa Saad	Non-Executive Director
Mrs. Hala Saad	Non-Executive Director
Mr. Adel Hajaj	Independent Director
Mr. Kamel Salhi	Independent Director

ADVISORY COMMITTEE

Mr. Kamel Salhi	Chairman
Mrs. Farwa Saad	Member
Mr. Adel Hajaj	Member
Mr. Kamel Shihab	Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Kamel Salhi	Chairman
Mrs. Farwa Saad	Member
Mrs. Farwa Alal	Member
Mrs. Hala Saad	Secretary

CHIEF FINANCIAL OFFICER

Adnan Chaudhry

CORPORATE SECRETARY

Mrs. Hala Saad

AUDITORS

Mrs. Tala Habbaj & Co., Chartered Accountants

LEGAL ADVISOR

Mr. Omar Saad (Advocate High Court)

SHARE REGISTRAR

Sumco International (Pty) Limited
E0-Imperial Center Block, Main Building,
Rangos City, Bani Hani, Luban.

BANKERS

Wooen Bank Limited
Bank AlBilal Limited
Halaqah International Bank Limited
Alfahd Bank Limited
Sawab Bank Limited

REGISTERED OFFICE & FACTORY SITE

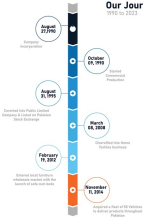
501, 504 & 505 Phase II, Industrial
Zone, Eastern Amman,
Jordan (Saudi S.P.S.)
Tel: (965) 270266
Fax: (965) 270270

CORPORATE OFFICE

Al-Khair Street,
41 - F, (Jubaila B), Luban,
Tel: (965) 2421111
Fax: (965) 2716088, 2710079
Email: info@alkhairgadoon.com
Website: www.alkhairgadoon.com

Our Journey

1990 to 2023



PRODUCTS

Foam Mattresses

Our range of foam-mattresses combine comfort, durability and affordability in a single purchase. Evenly distributing your weight and reducing pressure points, get a soothing-and-turning-thee sleeping experience with the range of foam mattresses from AKSL.

Spring Mattresses

AKSL has made a name of its own in the industry with the array of spring mattresses of the customers' disposal. Providing excellent value for money, our light and sturdy spring mattresses offer a great sleeping experience. We use state-of-the-art technology to ensure that our springs provide excellent support for your body.

Orthopedic Mattresses

Keeping in line with the need of the industry, AKSL was quick in establishing the collection of orthopedic mattresses. Offering a firmer sleeping experience, our orthopedic mattresses provide targeted and tailored support for the spine and joints of the body.



SleepinBox

Our innovative mattress formula brings together a proprietary combination of materials to unlock your best night's sleep. Made up of 24 Density CertiPUR-US® certified polyurethane foam engineered for low VOC (Volatile Organic Compounds) emissions for indoor air quality (less than 0.5 parts per million). Delivered to you in a Box!



SofainBox

With the increasing prices of almost everything, you don't need to be choosing between a mattress or sofa for your home, and that's why we have invented a dreamy luxury sofa cum bed that fits 90% of all bodytypes. Plus it comes in a box giving customer's ease of buying.





PRODUCTS



Furniture

At AKGL, we not only take care of your comfortable sleep, but also delve into the aesthetics of your surroundings. Introducing contemporary designs of beds, sofas and other furniture, we don't just want your home to be an ideal place to rest, but also the home of your dreams.



Accessories

Our aim at AKGL is to enrich the lives of people with a comfortable and rewarding experience. That is exactly what our range of accessories does. From bath support for the office to pillows from home, whether you are on the move or looking for a great nap, we have your back.

Pillow in Box

Pillow in Box is springy, fluffy, softness, non-allergenic, lightweight and voluminous, so the resulting products are light and washable, and can maintain body temperature, providing the best quality and the utmost comfort for the consumer at a competitive price, ideal for side sleepers.



Jai Namaz

Jai Namaz Push Quilted with high density foam and matching fabric underlining for ease of offering prayer and protects knees of elderly.



Mom Cozy Pregnancy Pillow

Pregnancy Pillow has been designed for the mothers to be who are looking for a perfect pillow for side sleeping during pregnancy. Our R&D engineers have developed this pillow to provide a full body support in your special days which helps you to stretch and re-energize while decreasing pressure points for side sleeping.

BabyCat Mattress

BabyCat mattress is the best mattress choice for your newborn, infant, or toddler.

The ideal firmness for infant safety and development, this mattress features a core made of high quality breathable foam to maximize air flow and comfort for your little one.





Organogram





Code of Conduct

Code of Conduct

The practices of AGGL are compliant and in accordance with applicable laws which are clearly defined in the code of conduct. Our Human Resource department plays an integral role in educating and training employees regarding the code of conduct and its implementation.

Compliance with Laws, Rules and Regulations

- Supply and Security
- Health and Safety
- External Activities
- Recruitment Decisions
- Regulatory Compliance

Confidentiality

- Work Place Management and Documentation
- Corporate Governance
- Fair Trading
- Protection and Proper Use of Company Assets
- Corporate Social Responsibility



Gross Sales

PKR in million

2023

1,386

2022

1,503

Profit/(Loss) After Tax

PKR in million

2023

13.02

2022

30.57

Total Assets

PKR in million

2023

618.72

2022

620.55

Earning Per Share

PKR

2023

1.30

2022

3.06



YEAR WISE FINANCIAL SUMMARY

2023 2022 2021 2020 2019 2018
(Figures in million)

Balance Sheet

Share Capital	100	100	100	100	100	100
Shareholders Equity	295.58	289.41	293.89	296.12	300.32	305.56
Profit / Loss before taxation	21.19	40.03	39.68	14.82	27.77	31.34
Profit after taxation	13.62	26.27	23.41	8.89	16.29	7.58
Dividend for share	-	-	-	-	-	-
Earnings / (Loss) per share - Rs.	1.36	2.62	2.34	0.89	1.62	0.75
Book-up value per share - Rs.	29.55	28.94	29.38	29.61	30.03	30.56

Measure of Financial Status

Current Ratio	1.48:1	1.48:1	1.46:1	1.44:1	1.34:1	1.51:1
No of Days - Stock	326	317	313	385	343	349
No of Days - Debtors	33.35	37.29	33.75	41.39	35.31	35.98

Measure of Financial Performance

Return on Capital Employed	4.61%	9.12%	7.98%	3.01%	5.41%	2.48%
Gross Profit Ratio	23.58%	23.84%	24.41%	24.08%	24.88%	23.13%
Profit before tax ratio	7.17%	13.85%	13.46%	5.03%	9.25%	10.25%
Profit after tax ratio	4.61%	9.12%	7.98%	3.01%	5.41%	2.48%
Debt/Equity Ratio	28.85%	28.94%	29.68%	28.37%	29.67%	29.45%



NOTICE OF MEETING

Notice is hereby given that the 37th Annual General Meeting of Al-Khair-Gadoon Ltd., will be held on Thursday the October 26, 2023 at 9:00 A.M. at the Registered Office of the Company at 923, (Phase III, Industrial Estate, Gadoon Area, District South, Khaybar (Bahrain)), to transact the following business:-

1. To confirm the minutes of the Extra Ordinary General Meeting held on June 26, 2023.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2023, together with the Director's and Auditors' Reports thereon.
3. To appoint auditors of the Company and fix their remuneration.
4. To transact any other business with the permission of the Chairman.

BY ORDER OF THE BOARD

(SAMIRA KHORAB)

Direct, October-06, 2023

Company Secretary

NOTES:

1. Share Transfer Books of the Company will remain closed from October 16, 2023 to October 26, 2023 (both days inclusive). Transfer received in order after the close of business on October 17, 2023 at the Corporate Office of the Company at Al-Khair House, 43-T, Durrburg B, Lahrvi will be entitled to voting rights at the Annual General Meeting.
2. A member of the Company entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote. Votes may be given personally or by proxy or by Attorney or in case of a Corporation by representative. The instrument of proxy duly executed should be lodged at the Corporate Office of the company at Al-Khair House, 43-T, Durrburg B, Lahrvi not later than 48 hours before the time of meeting.
3. Any individual Beneficial Owner of the Central Depository Company (CDC), entitled to vote at this meeting must bring his / her Computerized National Identity Card (CNIC) or passport (in case of foreigner) along with CDC account number to prove his / her identity and in case of proxy must endorse an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the usual documents required for such purposes.
4. Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.
5. Members are requested to provide by mail, photocopy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to comply with relevant laws.
6. The Company has made arrangement that participants, including shareholders, can also now participate in the AGM proceedings via video link. Those members who are willing to attend and participate in the AGM through video link are requested to register themselves by providing their Names, Folio Number, Number of Shares, Cell Number, email address and valid copy of both sides of Computerized National Identity Card (CNIC) at corporatereg@alokhairgadoon.com with subject of Registration and attend the AGM on per Notice No. 8.



Members who will be registered, after necessary verification as per the above requirements, will be provided a password protected video link by the Company via email. The said link will remain open from 8:00 am on the date of AGM till the end of the meeting.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address corporate@al-khairgadoon.com.

7. The Securities & Exchange Commission of Pakistan vide SRO-4901 (2016) dated May 14, 2016 has allowed companies to circulate Annual Audited Accounts to its members through CDS/CDP/CSO at their registered addresses. In view of this, the Company is being sent its 2023 Annual Report to the shareholders in form of PDF. Any member requiring printed copy of 2023 annual report may send a request with identification details, the Company will send the hard copy of printed accounts 2023 free of cost within one week.

8. In accordance with Section 121 (1) of the Companies Act, 2017 if the Company receives request from members totaling to aggregate 10% or more shareholding existing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that place subject to availability of such facility in that place. To avail this facility a request is to be submitted to the Company Secretary of the Company at given address:

The Company Secretary, Al-Khair Gadoon Ltd, 43-F, Daffodil B, Lahore.

9. As per Section 76(2) of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding five (5) years from the commencement of the Act, i.e., May 30, 2017. Those Shareholders having physical shareholding are encouraged to open a CDR: Sub - Account with any Broker or Investor Account directly with CDR to place their physical shares into early law form. This will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.



بیانگ کا فرش

بیانگ کی پائیپہ کر ایلی کمپنی نے اپنا 2023 مالی سال 28 اکتوبر 2023 کو ختم کیا ہے۔ بیانگ کی پائیپہ کر ایلی کمپنی نے اپنا 2023 مالی سال 28 اکتوبر 2023 کو ختم کیا ہے۔ بیانگ کی پائیپہ کر ایلی کمپنی نے اپنا 2023 مالی سال 28 اکتوبر 2023 کو ختم کیا ہے۔

1. 2023 مالی سال کے دوران بیانگ کی پائیپہ کر ایلی کمپنی نے اپنا 2023 مالی سال 28 اکتوبر 2023 کو ختم کیا ہے۔
2. 2023 مالی سال کے دوران بیانگ کی پائیپہ کر ایلی کمپنی نے اپنا 2023 مالی سال 28 اکتوبر 2023 کو ختم کیا ہے۔
3. بیانگ کی پائیپہ کر ایلی کمپنی نے اپنا 2023 مالی سال 28 اکتوبر 2023 کو ختم کیا ہے۔
4. بیانگ کی پائیپہ کر ایلی کمپنی نے اپنا 2023 مالی سال 28 اکتوبر 2023 کو ختم کیا ہے۔

بیانگ کی پائیپہ کر ایلی کمپنی

بیانگ کی پائیپہ کر ایلی کمپنی

بیانگ کی پائیپہ کر ایلی کمپنی

28 اکتوبر 2023

بیانگ کی پائیپہ کر ایلی کمپنی

1. بیانگ کی پائیپہ کر ایلی کمپنی نے اپنا 2023 مالی سال 28 اکتوبر 2023 کو ختم کیا ہے۔
2. بیانگ کی پائیپہ کر ایلی کمپنی نے اپنا 2023 مالی سال 28 اکتوبر 2023 کو ختم کیا ہے۔
3. بیانگ کی پائیپہ کر ایلی کمپنی نے اپنا 2023 مالی سال 28 اکتوبر 2023 کو ختم کیا ہے۔
4. بیانگ کی پائیپہ کر ایلی کمپنی نے اپنا 2023 مالی سال 28 اکتوبر 2023 کو ختم کیا ہے۔



کے لیے دماغی وسائل کوئی بچہ۔ 2023 کو مالی سال کی حیرت انگیز اور نیک پونجی کارکردگی کی سہولت کا
انعام کسے کی اس نیک پونجی اس طرف کی سہولت کی دستخط سے مشورہ میں سہولت سے کاروبار کرنے کے لیے
انگل کے نیک کارکردگی کو اپنے کے بچوں، سہولت سے کاروبار کی سہولت ہے:

نیک کارکردگی کا نیک کارکردگی کو اپنے کے بچوں، سہولت سے کاروبار کی سہولت ہے:

9. نیک کارکردگی، 2023 کے نیک کارکردگی کے مطابق، سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت ہے
سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت ہے
سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت ہے
سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت ہے
سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت ہے
سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت ہے
سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت ہے
سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت سے کاروبار کی سہولت ہے

سید اکرم
نیک کارکردگی



CHAIRMAN'S REVIEW REPORT

It is my pleasure to welcome you to the 33rd Annual General Meeting of your Company. I present before you on behalf of the Board of Directors, the Audited Accounts of the Company for the financial year-ended June 30, 2023 along with my review on the performance of the Company.

Role of the Board of Directors

Board of Directors has continuously provided valuable guidance and oversight to ensure strong governance and effective management and input to the management throughout the year. The Board of Directors has performed its duties diligently in upholding the best interest of shareholders of the Company and in managing the affairs of the Company. A review of the Board's own performance and effectiveness as a self-governed body in accordance with the requirements of Companies Act, 2017 and Listed Companies Regulations, 2017 and Code of Corporate Governance Regulations, 2019, has been conducted and appreciated, during the year under review, to ensure Best Practices.

Economy and Prawn Industry

Economy is in difficult situation and requires political stability to move towards sustainable and inclusive growth. The economy has witnessed a growth only with 3.0% in FY2023 against the growth of 3.97% last year. The ongoing fiscal year has witnessed a hyperinflation and month deviation of rupee which results in decrease in GDP. The inflation affects the buying power of consumer which impact on their industry sales. Other factors which affect the prawn industry are foreign exchange rate fluctuations. Most of the raw materials are imported and due to increase in raw material prices and fluctuations in exchange rates have negative impact on the business of consumer goods including these products. Also has an impact disturbed the supply chain and production to some extent but due to operational excellence and management skills the Company has succeeded in achieving its corporate objectives.

Performance of the Company

During the financial year-ended June 30, 2023, due to uncertainty of economy and deviation of rupee which has affected on cost of raw material, the performance of the Company is stable and revenue has decreased by 1% as compared to previous year.



Future Outlook

Indonesia's economy already had volatile growth pattern over the years, with regular boom and bust cycles facing challenges in achieving long-term and inclusive growth. Unsustainable economic growth was caused by unaddressed long-standing structural issues for example, increasing State-Owned Enterprises (SOEs), weak external position due to insufficient export capacity and low FDI, under-valued energy sector, low savings and investment. In the backdrop of these challenges, the present government focused on its economic vision of getting sustainable economic growth through improving efficiency, reducing cost of doing business, improving regulatory environment, enhancing productivity and increasing investment. The company expects better performance in the coming future and will remain focused on the needs of its wide patronizing customers.

Social Responsibilities

The Company is contributing millions of Rupiah to the National Challenge in terms of taxes, duties and fees. Being socially responsible, the Company has provided safe working conditions avoiding the risk of health of employees and public at large. It is a matter of immense pleasure for us that the Company is also contributing towards the society through social activities and has integrated Corporate Social Responsibility in its business.

Lahore, September 25, 2023

MOHAMMAD AFZAL SHEIKH
CHAIRMAN

**DIRECTORY REPORT TO THE MEMBERS**

The Directors of your Company are pleased to present the 20th Annual Report with the audited financial statements of the Company for the year ended June 30, 2023.

Financial Performance

	2023	2022
	<i>Rs. in millions</i>	
Sales from Operations - net	1,863,288,647	1,755,795,482
Gross Profit	328,256,326	348,658,473
Profit before Taxation	28,711,644	41,401,749
Taxation	(22,148,798)	(21,384,948)
Profit after Taxation	6,562,846	20,016,801
Earning per Share - Basic and Diluted (Rs/Share)	1.08	1.06

During the year 2023, net sales of the Company decreased by Rs.10.74 million (0%) from Rs.1755.79 million to Rs.1,863.29 million. The Financial Year 2023-24 has been a year of moderate performance and slow growth for the Company. Operating in an environment of increasing competition and fuel economy of country, the Company decreased its net sales by about 0%. Also the fact that the fluctuation of rupee has negatively affected the cost of raw material. The Board has played a pivotal role in achieving the Company's objectives and safeguarding interests of the shareholders. We are hopeful that during the next financial year the situation will considerably improve and the company will achieve the record growth.

Future Outlook

The major threat to business specially at retail level is ever rising inflation and dearness prevailing in the country which has severely affected the purchasing power of customers consistently affecting the sales targets of items and allied products. The management of the Company is fully aware of state of affairs of the Company and economic conditions of the country in terms of inflation, prevailing dearness in the country, in addition to intense competition from existing players and new entrants which are major challenges to meet its coming future. But over the fiscal situation of country may adversely affect the business of the company for short time.

The management of the Company is fully cognizant of the situation and will overcome through the strategies of improved operational efficiencies, synergies, New product, risk management, effective cost control measures and better trade partnering with customers. The Company has been exhibiting strong performance against challenges over the years, for it vulnerability of increased competition, fluctuation in raw material prices or exchange rate. Operational excellence and management skills have positioned the Company for sustainable growth to meet challenges ahead. Being socially responsible, financially viable and operationally sound will remain the key objectives of the Company.

Principal activity

The principal activity of the Company is manufacturing and sale of flour and allied products.

Risks and Uncertainties

The Board of Directors is responsible to oversee the Company's operations and to devise an effective strategy to mitigate any potential and adverse impact of risks.

The Company's activities may expose it to a variety of financial risks, market risks (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.



The Company's principal financial liabilities comprise of trade and other payables and short term borrowings. The Company's principal financial assets comprise of trade debts, advances, short term deposits, other receivables and cash and bank balances that are closely managed.

The Company's overall risk management program focuses on the responsibility of financial and market activities and work to minimize potential adverse effects on the financial performance. The Company has adequately disclosed all the risk related outcomes in the Financial statements.

Internal Financial Control

A sound internal control system is established and implemented at all levels of the Company by the Board of Directors. The system is aimed to design for achievement of Company's objectives and operational effectiveness and efficiency, reliable financial reporting, to safeguard the assets and resources and compliance with applicable laws, regulations and policies.

Related Party Transactions

The Company has executed all transactions with its related parties on arm's length prices except where it has been disclosed in the financial statements. All related party transactions during the financial year ended June 30, 2023 were put before the Audit Committee and upon its recommendations the same approved by the Board of Directors.

Environment, Health and Safety

The Company maintains safe working conditions avoiding the risk to health of employees and public at large. The management has maintained close involvement in all its operations and consistently upgrading their safety.

Corporate Social Responsibility

The Company strongly believes in the integration of Corporate Social Responsibility into its business and consistently endeavours to uplift the people that are influenced directly or indirectly by our business.

Reporting

The Board has ensured completeness, true and fair presentation and timely issuance of its financial statements in accordance with the requirements of third and fourth articles to the Companies Act, 2017, the Listing Regulations of Pakistan Stock Exchange and International Financial Reporting Standards.

Corporate and Financial Reporting

The Company is committed to gain highest standards of corporate governance. The Board is pleased to give the following specific statements to comply with the requirements of the Code of Corporate Governance Regulations, 2019:

- The financial statements prepared by the management of Al-Khair Gadoon Limited present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of Al-Khair Gadoon Limited have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements.



- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Code of Corporate Governance Regulations, 2017 issued by SECP.
- Key operating and financial data for last six years is summarized therein enclosed to the report.
- No trades in shares of Al-Khair Gaddoh Limited were carried out by the Director(s), CEO, CFO, Head of Internal Audit & Company secretary and their spouses and minor children except those notified to the regulatory authorities.
- Reasons for significant deviations from last year's operating results have been explained in the relevant section of the Director's report.
- Information about outstanding loans, debts, claims and charges is given in the notes to the Financial Statements.
- The Company has no significant plans and decisions regarding corporate restructuring, business operations and discontinuing of operations.
- Details of number of Board and committee's meetings held during the year and attendance by each Director has been disclosed below.
- The Board has been provided with detailed in-house briefings and information packages to equip them with the code of conduct, applicable laws, their duties and responsibilities to enable them to effectively manage the affairs of the Company in and on behalf of shareholders.

Compliance with the Code of Corporate Governance & Transfer Pricing

The Code of Corporate Governance Regulations, 2017 as formulated by the SECP & ICAP regulations have been complied with and the statement to that effect is enclosed. The requirements of transfer pricing as set out in the listing rules of Pakistan Stock Exchange relevant to the year 2023 have also been complied.

Significant Features of Director's Remuneration

The Board of Directors has approved Director's Remuneration. The Board has formulated a policy for remuneration of executive directors depending upon their responsibility in affairs of the Company. However, in accordance with the Code of Corporate Governance, it is stated that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive director except for the attending the meetings as directed. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. Please refer note 20 to the Financial Statements.

Director's Training

Majority of the Directors of the Company are exempted from the requirement of Director's Training Program in view of 14 years of education and 17 years of experience as director in listed company.

Staff Retirement Benefits

The Company operates an un-funded gratuity scheme for all employees with qualifying service period of six months.

Dividend

Dividend is recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration to those Members whose names appear on the Register of Members in respect of shares held in the name. Based on capitalizing assets, the Board has declared nil dividend for the year ended June, 2023.



Chairman's Review

The Chairman's review included in the Annual Report deals with the issues of business, challenges faced and performance of the Company during the year ended June 30, 2023, as well as future prospects and uncertainties.

Attendance of Board and Committee Meetings

During the year five Board meetings, four Audit Committee, and three Human Resources and Remuneration Committee meetings were held. The attendance is as follows:

Sl. No.	Director / Member of Committee	Number of attendances		
		Board of Directors	Audit Committee	HR & R Committee
1	Muhammad Adil Sheikh	0	-	-
2	Muhammad Saad Sheikh	0	-	-
3	Muhammad Aamir Sheikh	0	-	-
4	Mrs. Farzana Akhter	0	2	1
5	Mrs. Farzana Saad	0	4	1
6	Mrs. Hafiza Anis	0	-	1
7	Mrs. Kamal Siddiqui	0	4	2
8	Mrs. Inaif Nojati	2	2	-

External Auditors

The auditors Messrs Tahir Siddiq & Co. Chartered Accountants are the existing auditors of the Company and offer their services for re-appointment. They confirmed that they have been given satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the ICAP. The audit committee and the Board recommended their re-appointment by the shareholders at the Annual General Meeting of the Company as auditors of the Company for the year ending June 30, 2023.

Pattern of Shareholding

The pattern of shareholding of the Company is covered in the report.

Material Changes

There have been no material changes since June 30, 2022 in title of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

Appreciation

We would like to acknowledge and appreciate the devoted and sincere services of our workers, staff members of the management team. We are grateful to our bankers and other stakeholders. We also thank for continued co-operation extended by our customers and creditors who are the key element of our Company.

MUHAMMAD ADIL SHEIKH
CHAIRMAN

MUHAMMAD AAMIR SHEIKH
CHIEF EXECUTIVE



پارٹنرز کی شرکتیں

گٹھ کے پارٹنرز کی انگریزیت پر مشتمل تنظیموں، ایسے گٹھوں کے پارٹنرز کے طور پر موجود ہیں جن کے پاس کسی امر گٹھ کے ذریعہ پارٹنرز کو پارٹنرز کے ذریعے وہ کام کی خدمات سے مستثنیٰ ہے۔

انگلینڈ میں رجسٹرڈ گٹھوں

گٹھ کے کام میں ایسے گٹھوں کی موجودگی ایک حد تک کے ساتھ ایک امر گٹھ کے ذریعے انجام دیتا ہے۔

تعمیراتی گٹھ

یہ وہ کام پارٹنرز کی طرف سے گٹھوں کے ذریعے انجام دیا گیا ہے جو ان کے ذریعے انجام دیا گیا ہے۔ ان گٹھوں کی تعداد 100 ہے۔ ان گٹھوں کے ذریعے ان گٹھوں کے کاموں کو انجام دیا گیا ہے۔ ان گٹھوں کے ذریعے ان گٹھوں کے کاموں کو انجام دیا گیا ہے۔

غیر منافع بخش گٹھ

ان گٹھوں کے ذریعے ان گٹھوں کے کاموں کو انجام دیا گیا ہے۔ ان گٹھوں کے ذریعے ان گٹھوں کے کاموں کو انجام دیا گیا ہے۔ ان گٹھوں کے ذریعے ان گٹھوں کے کاموں کو انجام دیا گیا ہے۔

یہ وہ کام گٹھوں کے ذریعے انجام دی گئی شرکتیں

ان گٹھوں کے ذریعے ان گٹھوں کے کاموں کو انجام دیا گیا ہے۔ ان گٹھوں کے ذریعے ان گٹھوں کے کاموں کو انجام دیا گیا ہے۔ ان گٹھوں کے ذریعے ان گٹھوں کے کاموں کو انجام دیا گیا ہے۔

نمبر	پارٹنرز کی شرکتیں	گٹھ	انگلینڈ گٹھ	غیر منافع بخش گٹھ
1	غیر منافع بخش گٹھ	2	-	-
2	غیر منافع بخش گٹھ	3	-	-



-	-	5	عمداتیں بیچ	3
1	2	5	سوزی روئی بالٹن	4
1	4	5	سوزی روئی سپر	5
1	-	3	سوزی ٹیور اٹن	6
2	4	5	بٹنپ کول سماں	7
-	2	2	بٹنپ آف سپر	8

برقی آلات:

آٹھ سو سے زائد برقی آلات کی خریداری اور اس کے ساتھ ساتھ ان کے استعمال کے لیے دیگر سہولتوں کی فراہمی کی گئی ہے۔ برقی آلات کی خریداری اور اس کے ساتھ ساتھ ان کے استعمال کے لیے دیگر سہولتوں کی فراہمی کی گئی ہے۔ برقی آلات کی خریداری اور اس کے ساتھ ساتھ ان کے استعمال کے لیے دیگر سہولتوں کی فراہمی کی گئی ہے۔

شہر ہوائی گت کی خرید:

شہر ہوائی گت کی خرید اور اس کے ساتھ ساتھ ان کے استعمال کے لیے دیگر سہولتوں کی فراہمی کی گئی ہے۔

بڑی آمدائیں:

2023 کی آمدائیں 2022 کی آمدائیں سے زیادہ ہیں اور ان کے ساتھ ساتھ ان کے استعمال کے لیے دیگر سہولتوں کی فراہمی کی گئی ہے۔



المبارک فکیر:

ام سچو ۽ اڳوڻو رڪارڊ ۾ گڏي ڀرتي ڪيل سڀ کان گهڻو ۽ گهٽو ڪم ڪندڙن جي وچ ۾ فرق نه ڪرڻ ۽ انهن جي سڀ کان
اڻ ٿيڻ ۽ سڀ کان گهٽ ۽ گهٽ ڪم ڪندڙن جي وچ ۾ فرق نه ڪرڻ ۽ انهن جي سڀ کان اڻ ٿيڻ ۽ سڀ کان
گهٽ ۽ گهٽ ڪم ڪندڙن جي وچ ۾ فرق نه ڪرڻ ۽ انهن جي سڀ کان اڻ ٿيڻ ۽ سڀ کان


Mr. M. A. Khan
2023

Mahmoud Awan
2023

**Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2019**

Name of company: **Al-Khair Gaddeh Limited**
Year Ending: **30-06-2023**

The Company has complied with the requirements of the Regulations in the following manner:

- The total number of directors are eight as per the following:

a) Male	Five
b) Female	Three
- The composition of board is as follows:

i) Independent Director:	Mr. Kamal Siddani Mr. Asif Najjar
ii) Non executive Directors	Mohammad Saad Sheikh Mohammad Akmal Sheikh Mrs. Nabeesa Asim Mrs. Farzana Akmal Mrs. Farwa Saad
iii) Executive Director:	Mohammad Asim Sheikh

iv) The board consists of three female directors as mentioned above.
- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Al-Khair-Gaddeh Limited.
- The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its reporting policies and procedures.
- The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the date of approval or updating is maintained by the Company.
- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- The Board have a formal policy and transparent procedure for nomination of Directors in accordance with the Act and these Regulations.
- Majority of the Directors of the Company are exempted from the requirement of Directors' Training Program.
- There is new appointment of Chief Executive Officer and Company secretary Officer during the year. No change in Head of Internal Audit has been made during the year. However, any change in their



recognition and terms and conditions of employment have been complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

Audit Committee:

Mr. Khamis Subhani	Chairman
Mrs. Farwa Saad	Member
Mr. Asif Najid	Member

HR and Remuneration Committee:

Mr. Khamis Subhani	Chairman
Mrs. Farwa Saad	Member
Miss. Samira Razaib	Secretary

13. The terms of reference of the aforesaid committees have been formed, documented and adhered to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:

a) Audit Committee	Four
b) HR and Remuneration Committee	Two

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and consistent with the policies and procedures of the Company;

16. The statutory auditors of the Company (MR Tahir Siddiq & Co., Chartered Accountants have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and their partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors of the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all other requirements of the regulations 5, 6, 7, 8, 27, 30, 31 and 34 of the Regulations have been complied with.

Muhammad Ameen
MUHAMMAD AMEN SHEER
CHIEF EXECUTIVE

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
AL-KHAIR GADOON LIMITED****Review Report on the Statement of Compliance-Contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Al-Khair Gadoon Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inspection of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended June 30, 2023.

Taher Siddiq & Co.
Chartered Accountants

Engagement Partner: **Muhammad Taher Siddiq, FCA**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AL-KHAIR GADOON LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the annual financial statements of AL-KHAIR GADOON LIMITED (‘the Company’), which comprise the statement of financial position as at June 30, 2023 and the statements of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act 2017 (2017 of 2017), in the manner so required and respectively give a true and fair view of the Company's affairs as at June 30, 2023 and of the profit or loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards (Based on Accountants' Code of Ethics for Professional Accountants) as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. Those matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.



Following are the Key Audit Matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Revenue Recognition</p> <p>Refer to Note 1.1 & Note 28 of the financial statement. The Company reported a net revenue of Rs. 2,098.1 (B) for financial year 2023 against a net revenue of Rs. 2,098.1 (B) for financial year 2022. The Company reported a net revenue of Rs. 2,098.1 (B) for financial year 2023.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and changes in revenue from year to year.</p>	<p>Reviewed the adequacy of the disclosure made by the Company under the applicable financial reporting framework.</p> <p>The audit procedures include review of financial year end providing 30,000 sites and dependency of company on financing bank.</p> <p>Assessing the appropriateness of policies and objectives of disclosure related to Revenue and related accounting and reporting standards as applicable in Pakistan.</p>
2	<p>Revenue Recognition</p> <p>Refer to Note 1.20 and 28 of the financial statement.</p> <p>The Company recognized a net revenue of Rs. 1,201,49,441/- for financial year 2023.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and changes in revenue from year to year.</p>	<p>Reviewed the adequacy of the disclosure made by the Company under the applicable financial reporting framework.</p> <p>The audit procedures in relation to the matter, amongst others, included:</p> <ul style="list-style-type: none"> Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of the key internal controls over recording of revenue. Inspecting a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant supporting documentation to assess if the related revenue was recorded in the appropriate accounting period. Inspecting the details of general entries posted to revenue accounts during the year, which may relate to specific individual entities, with the relevant underlying documentation. Assessing the appropriateness of accounting policy for revenue recognition and comparing with the applicable accounting and reporting standards and Assessing the adequacy of the disclosures related to revenue reported under the accounting and reporting standards as applicable in Pakistan.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and/or auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. It is based on this work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and the presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (2017 of 2017) and for such internal control as management determines necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or to restructure, otherwise set out in 6.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether the mis-statement is due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In order to assist us in accordance with ISAs as applicable in Pakistan, we consider professional judgment and business professional discipline throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether the mis-statement is due to fraud or error, and design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misstatements, or the misuse of authorized access.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to our auditor's report to the related disclosures in the financial statements, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the board of directors and to management the report completed with reference to our professional requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance to the audit of the financial statements of the current year-end and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation prohibits public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company in accordance with the Companies Act, 2017 (2017 of 2017),



- (b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereto have been drawn up in conformity with the Companies Act, 2017 (CICA) of DTF and in accordance with the books of account and records.
- (c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business, and
- (d) No other case of misfeasance or mismanagement of affairs was reported under the Companies (Director-Offences) 1998 (DFO) or 1999.

The engagement partner on the audit resulting in this independent auditor's report is Mohamed Taha Habbib.

Taha Habbib B.Com.
Chartered Accountant
Liberal: September 22, 2023
AA003 00768374609



STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

ASSETS	Note	2023 Sudanese	2022 Sudanese
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	171,700,000 171,700,000	171,000,000 171,000,000
CURRENT ASSETS			
Cash and Spsars		5,000,000	5,000,000
Bank in Trade	6	27,000,000	29,000,000
Trade Debt	7	20,000,000	22,000,000
Advances, Deposits and Prepayments	8	17,000,000	41,000,000
Advances From: Man	9	51,000,000	10,000,000
Contract/Trade Balance	10	10,000,000	17,000,000
		66,000,000	66,000,000
TOTAL ASSETS		237,700,000	237,000,000
EQUITY AND LIABILITIES			
Authorized Capital			
1,000,000 Ordinary shares of Sh. 10 each	11	10,000,000	10,000,000
Issued, Subscribed and Paid-up Capital	11	20,000,000	20,000,000
Capital Reserve – Share Premium	12	15,000,000	15,000,000
Unappropriated Profit		17,000,000	13,000,000
Shareholder's Equity		62,000,000	58,000,000
NON-CURRENT LIABILITIES			
Long Term Loan	13	5,000,000	11,000,000
Lease Liabilities	14	-	1,700,000
Deferred Liabilities	15	10,000,000	10,000,000
		15,000,000	22,700,000
CURRENT LIABILITIES			
Current portion of Long Term Loan	13	1,000,000	1,000,000
Lease Liabilities	14	-	200,000
Trade and Other Payables	16	20,000,000	11,000,000
Taxes Payable	17	470,000	300,000
Short Term Borrowings	18	20,000,000	17,000,000
Un-claimed Dividend	19	1,000,000	1,000,000
		22,470,000	20,500,000
CONTINGENCIES AND COMMITMENTS	20	-	-
TOTAL EQUITY AND LIABILITIES		237,700,000	237,000,000

The attached notes from 1 to 20 form an integral part of these financial statements.


MOHAMED ADEL IBRAHIM
 CHAIRMAN


MOHAMED ADEL IBRAHIM
 CHIEF EXECUTIVE


MOHAMED ADEL IBRAHIM
 CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	Sarqari	Sarqari
Sales - net	21	1,860,096,687	1,103,790,180
Cost of sales	22	(907,096,111)	(1,087,096,629)
Gross profit		953,000,576	16,693,551
Administrative expenses	23	(28,622,004)	(47,888,011)
Distribution expenses	24	(26,658,954)	(63,697,282)
		(55,280,958)	(111,585,293)
Operating profit		897,719,618	15,108,258
Finance cost	25	(24,988,138)	(8,488,719)
Other operating expenses	26	(1,488,688)	(3,371,008)
Other operating income	27	1,575,884	711,616
		(24,899,942)	(11,148,111)
Profit before taxation		872,819,676	3,959,147
Income tax expense	28	(12,148,946)	(13,398,948)
Profit for the year - net		860,670,730	3,560,199
Other comprehensive income / (loss)			
Items that will not be re-classified to profit or loss			
Re-measurement of defined benefits		1,246,878	(2,748,488)
Deferred tax on re-measurements of defined benefit plan		682,588	698,018
		2,929,466	(2,050,470)
Total comprehensive income for the year		863,600,196	1,509,729
Earnings per share - before tax (Basic and diluted) - (Sarqari)	29	1.51	4.50
Earnings per share - after tax (Basic and diluted) - (Sarqari)	29	1.39	3.05

The annexed notes form 1 to 29 form an integral part of these financial statements.


MOHAMMED OTHMAN
CHAIRMAN


MOHAMMAD AMIN
CHIEF EXECUTIVE


FARHAN
CHIEF FINANCIAL OFFICER



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	
	Report	Report	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (outflow) / generated from operations	34	19,113,188	98,719,907
Finance cost paid	(24,127,877)	(7,349,992)	
WTTV paid	(2,466,877)	(2,133,499)	
Income tax (paid) / refunds received	(19,401,499)	(21,139,609)	
Sales tax (paid) / refunds received	(7,487,134)	928,128	
Dividends and claims paid	(98,294)	-	
Dividend yield	(1,695,877)	(1,495,372)	
Net cash (used) / generated from operating activities	(55,387,458)	(23,280,344)	
Cash flows from investing activities			
Fixed capital expenditure	(4,276,899)	(3,248,812)	
Net cash (used) / investing activities	(4,276,899)	(3,248,812)	
Cash flows from financing activities			
Short term borrowings	(98,679,040)	1,794,000	
Long Term Loans	(2,780,483)	(3,377,318)	
Loans / facilities	(7,248,812)	1,248,767	
Net cash generated / (used) by financing activities	(108,708,335)	(381,551)	
Net (decrease)/increase in cash and cash equivalents	1,807,684	(2,873,807)	
Cash and cash equivalents at the beginning of the year	17,299,688	20,173,495	
Cash and cash equivalents at the end of the year	19,107,372	17,300,688	

The annual notes from 1 to 28 form an integral part of these financial statements.


MOHAMMAD OTHMAN
CHAIRMAN


MOHAMMAD AMIN
CHIEF EXECUTIVE


FARAHAN FAYYAD
CHIEF FINANCIAL OFFICER



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

	Issued, Subscribed and Paid up Share Capital	Share Premium	Unappropriated Profit	Total
	Riyals			
Balance as at 1 July 2022	200,000,000	25,000,000	126,415,891	351,415,891
Comprehensive Income for the year				
Profit for the year	-	-	30,772,899	30,772,899
Other comprehensive income (loss) for the year	-	-	(1,479,891)	(1,479,891)
	-	-	29,293,008	29,293,008
Balance as at 30 June 2023	200,000,000	25,000,000	155,211,899	380,211,899
Balance as at 1 July 2021				
Comprehensive Income for the year				
Profit for the year	-	-	11,800,448	11,800,448
Other comprehensive income (loss) for the year	-	-	2,899,234	2,899,234
	-	-	14,699,682	14,699,682
Balance as at 30 June 2022	200,000,000	25,000,000	176,542,296	399,542,296

The annexed notes form 1 to 19 form an integral part of these financial statements.


MOHAMMED OTHMAN
CHAIRMAN


MOHAMMED AMIN
CHIEF EXECUTIVE


FAHAD
CHIEF FINANCIAL OFFICER



NOTES TO THE FINANCIAL STATEMENTS For the period ended 31/12/2023

1 Legal Status and Incorporation

The Company was incorporated as a private limited company on August 27, 1998 under the Companies Ordinance, 1964 (deposited with the secretary of the Companies Act 2017), and converted into Public Limited Company on August 28, 1999. The shares of the company are listed on Pakistan Stock Exchange Limited.

The principal activities of the Company are to manufacture and sale tires and allied products. The geographical location and addresses of the Company's headquarters including plant are as follows:

Business Unit	Geographical location and address
Registered office	K25, Phase-02, Industrial Estate, Gadoon Town, District Faisal, KPK.
Manufacturing Plant:	
	K25, Phase-02, Industrial Estate, Gadoon Town, District Faisal, KPK.
	94-A, 94-B, Phase-02, Industrial Estate, Gadoon Town, District Faisal, KPK.
Corporate Office	Ah-Riad House, 47-C, Gaffney S, Lahore.

2 Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017.
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for certain items, as disclosed in the notes on accounting policies below. These Financial Statements have been prepared on going concern basis.

Financial and presentation currency

- 2.3 These financial statements are prepared in Pakistan Rupee (Rs. / Rupee) which is the Company's functional currency. Amount presented in the financial statements have been translated into the currency of the / Rupee, unless otherwise stated.

2.4 Key judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are discussed in the following accounting policies and notes, in order of priority:

- Estimated useful lives, residual value and depreciation method of property, plant and equipment (Note No. of PFR page 41 and note 8).
- Revenue from Contracts with Customers (Note No. 12)
- Obligation of defined benefit obligation (Note No. 13)
- Estimation of provisions for tax allowances (Note No. 9)
- Estimation of contingent liabilities (Note No. 20)
- Current Income tax expense, provision for uncertain tax and recognition of deferred tax asset (for carried forward tax losses) (Note No. 9)

**B New and Amended Standards and Interpretations****B.1 Standards, amendments to approved accounting standards effective in current year**

New and amended standards and interpretations mandatory for the first time for the financial year beginning on or after June 30,

- **IFRS 1 - Business Combinations** - amendments updating a reference to the Conceptual Framework
- **IAS 16 - Property, Plant and Equipment** - amendments prohibiting a company from debating the recognition of property, plant and equipment amounts received from selling items produced after the company incorporating the assets in production
- **IAS 37 - Provisions, Contingent Liabilities and Contingent Assets** - The amendments clarify the assessment include the use of fulfilling a contract when assessing whether a contract is onerous
- **IFRS 14 - Goodwill Arising from Transactions Involving Intangible Assets (SIC - 29)** (Amendments)
- The adoption of these amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Company's financial statements.

B.2 Standards, amendments and interpretations to the approved accounting standards that are not yet effective

The following amendments and improvements to the approved accounting standards or applicable to future periods in effect from the dates mentioned below against the respective amendment or improvement:

amendment or improvement	Effective date (annual periods beginning on or after)
IFRS 7 - Financial Instruments: Disclosures - Amendments relating to regular finance arrangements	1-06-24
IFRS 14 - Goodwill - amendments to clarify how a seller from subsequently acquired and uncontracted transactions	1-06-24
IAS 1 - Presentation of Financial Statements - Amendments to disclose material accounting policy information instead of 'significant accounting policies and accounting estimates on how entities apply the concept of materiality in making decisions about accounting policy disclosures	1-06-23
IAS 1 - Presentation of Financial Statements - Under the amendments, the classification of certain liabilities as current or non-current may change (e.g. non-IFRS 9 debt). In addition, companies may consider providing new disclosures for liabilities subject to contracts	1-06-24
IAS 7 - Statement of Cash Flows - Amendments relating to regular finance arrangements	1-06-24
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Amendment regarding the definition of accounting estimates for standard define the concept of a change in accounting estimate which includes a change in accounting policies and accounting estimates	1-06-23
IAS 12 - Income Taxes - Amendments relating to Deferred Tax relating to assets and liabilities arising from a single transaction	1-06-23
IAS 12 - Income Taxes - Amendments relating to Temporary exceptions to the requirements regarding deferred tax assets and liabilities related to different income taxes	1-06-23



Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 7	Financial Instruments

4. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Fixed Assets

Companies are obligated over costs for its property, plant and equipment. Deprecy, Plant and equipment except for household and household land and capital work in progress are stated at cost less accumulated depreciation and impairment loss if any. Freehold land is stated at cost less impairment loss if any.

Depreciation charged on all depreciable fixed assets is straight-line profit and loss account with following balance method over its estimated useful life or annual rate mentioned in the fixed assets. Depreciation on additions is charged from the month in which assets is available for use and are disposed before the month of disposal. Depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change in adjustment to depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, "Accounting policies, changes in accounting estimates and errors" and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendments or change has been considered for the first period.

Subsequent costs including major overhauls and improvements are included in the carrying amount of the asset if the expenditure is recognized as a separate asset, only when it is probable that the future economic benefits associated with the asset will flow to the company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized at the time of replacement. Normal repair and maintenance activities to day-to-day activities are charged to the statement of profit or loss account.

Disposal of an item of property, plant and equipment is recognized when significant risks and rewards, incidental to the ownership of this asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of this asset with sale proceeds and are recognized within other income/ other operating expenses, in the statement of profit or loss.

4.2 Leased assets

In the inception of a contract, the company assesses whether a contract is or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the company is reasonably certain to exercise these options. Leases are recognized on date of lease commencement and corresponding liabilities or burden at which the leased assets are available for use by the company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the company's incremental borrowing rate. Lease liabilities are subsequently measured at amortized cost using the effective interest rate. Right of use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made on or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received. The depreciable right of use assets are depreciated over the useful life of assets on following balance method. The carrying amount of the right of use assets is reduced by impairment losses if any. As a result, the company recognizes right of use assets equal to the present value of lease payments. Payments associated with the short-term leases and leases of low-value assets are recognized as a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term less than 12 months in total.

**6.2 Capital work in progress**

Capital work in progress is measured at cost less expected impairment loss if any. There are no identifiable specific assets in and what there are available for use.

6.3 Inventory

There are valued at lower of cost and net realizable value. Cost of raw materials and components are measured at lower value than other charges incurred. However, Cost of inventory is based on weighted average cost. Cost is relative to work in process and finished goods, represents direct cost of raw materials, wages and appropriated manufacturing overheads. Goods in transit are valued at cost accumulated up to the reporting date.

The company reviews the carrying amount of stock in transit on an ongoing basis and a appropriate inventory is written down to its net realizable value or provision is made for obsolescence if there is any change in usage pattern and physical items of excess inventory. Net realizable value is the estimated selling price in the ordinary course of business less costs necessary to be incurred to make inventories sale.

6.4 Stores, Spares and Loose Tools

There are valued at lower of cost and net realizable value. The cost of inventory is based on weighted average cost. There is found a cost accumulated up to the reporting date. The company reviews the carrying amount of stores, spares and loose tools on an ongoing basis and provision is made for obsolescence if there is any change in usage.

6.5 Taxation**Current**

Current tax is liabilities payable in future at the current rates of taxation after taking into account tax credits and rebates available if any and loss carry forward.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilize these temporary differences and unused tax losses and credits. Current and deferred tax are recognized as profits or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

4.7 Trade debts and other receivables

Trade debts and other receivables are classified as financial assets at amortized cost according to IFRS 9. Trade debts are initially recognized at original invoice value which is the fair value of the consideration to be received in future and subsequently measured at net provisions for loss allowances. The company recognized the approach for measuring expected credit losses. The company estimates the credit losses using a provision matrix, where trade receivables are grouped based on different customer attributes along with historical, current and forward looking expectations. Bad debts are written off with the approval of board of directors when identified.

4.8 Cash and cash equivalents

There are stated at the cost in the statement of financial position. For the purpose of cash flow statement cash and cash equivalents comprise of cash in hand and balances held with banks.

4.9 Trade and other payables

Trade and other payables are initially measured at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether a receivable for company.

6.10 Financial liabilities

Financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value less directly attributable transaction costs, if any and subsequently measured at amortized cost using effective interest rate method.



is financial liability is extinguished when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same issuer on substantially different terms or the terms of an existing liability are substantially modified such as exchange or modification is treated as a discontinuation of original liability and recognition of a new liability and the difference in respective carrying amounts is recognised in the statement of profit or loss.

4.2 Financial assets

The Group's new accounting policies after the application of IFRS 9 are as follows. The new IFRS effectively reclassified/transfer assets/instruments category of the previous IAS 39.

4.2.1 Classification

Financial assets are classified into financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income as per the requirements of IFRS 9. The financial assets are classified as initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

a) Financial assets at amortised cost

A financial asset shall be classified as financial assets at amortised cost if both of the following conditions are met:

The assets held within a business model whose objective is to hold assets in order to collect contractual cash flows;

Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest to principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

Such instruments whose contractual cash flows are solely payments of principal and interest and the objective of the company is to both collect contractual cash flows and selling the financial assets.

Equity instruments that are not held for trading and the company made an irrevocable election at initial recognition to measure it at fair value to measure fair fair value with only fair value income recognised in profit or loss.

c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. A debt instrument is classified as financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

4.2.2 Recognition and measurement

Regular purchase and sales of the financial assets are recognised on the trade date (the date on which the company commits to purchase or sell the asset). Investments are initially recognised at fair value plus transaction costs for all financial assets measured at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are reported in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or when they have been transferred and the company has transferred substantially all risks and rewards of ownership.

Other initial recognition, financial assets are measured at amortised cost. Gains or losses arising from changes in fair value of the financial assets at " fair value through profit or loss" category are presented in the statement of profit or loss within other income/ other operating expenses, for the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of other income when the company's right to receive payments is established. Gains or losses arising from changes in fair value through other income category are recognised in other comprehensive income with only the listed income recognised in profit or loss.

The company measures the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognised in profit or loss, is measured from equity and recognised in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss.

**4.11 Offsetting of financial instruments**

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must enforce settlement on a future event and must be enforceable in the normal course of activities.

4.12 Derivatives financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, if so, the nature of the item being hedged. The company designates certain derivatives as either fair value hedge or cash flow hedge.

1) Fair value hedge

A hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment or a component of any such item that is attributable to a particular risk and could affect profit or loss.

2) Cash flow hedge

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all or a component of a recognized asset or liability, or a highly probable forecast transaction and credit risk or loss.

4.13 Netting policy

Assets and liabilities are recorded at the gross amounts. Financial changes are recognized for on the annual basis. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

4.14 Netting policy

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of the asset.

4.15 Provisions and Contingencies

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reversed at each reporting date and adjusted unless certain loss estimates. Where the outflow of economic benefits is not probable, a contingent liability is disclosed, where the possibility of outflow is remote.

4.17 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pounds upon at monthly average rates. Monetary items are translated at foreign exchange rate translated into pounds at the rate of exchange prevailing at the reporting date. Exchange gain or losses that are charged to profit or loss account.

4.18 Impairment of Non-Financial assets

Non-financial assets are reviewed at each reporting date to identify circumstances indicating impairment loss or reversal of previous impairment losses if any. An impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. The reversal of impairment loss is restricted within the original cost of the asset.

4.19 Impairment of Financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" (ECL) model. The new impairment model applies a three-stage model measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. ECLs are based on the difference between the contractual cash flows due to the counterparty and the contract



and all the cash flows – that the Company expects to receive. The dividend is then distributed as an appropriation to the most original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other assets refinanced that are brought to the consideration. However, it is not possible to make such an approximation to the most original effective interest rate in all cases. In addition, when interest or dividend information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company, a credit-impaired asset is identified. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Such situations for financial assets measured at amortized cost are identified from the gross carrying amount of the respective asset the Company uses the standard's simplified approach and calculates ECL based on 12-month ECL, or the lifetime ECL. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial instruments concerned.

6.22 Revenue Recognition

According to the core principle of IFRS 15, the company recognizes the revenue to which its transfer of promised goods and services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. The company recognizes the revenue in accordance with that core principle by applying the following steps:

- Identify the contract with customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligation in the contract.
- Recognize revenue when the entity satisfies performance obligation.

The company is involved in the sale of fixed and sharia products. Revenue from sale of goods is recognized when the company satisfies a performance obligation (at a point of time) by transferring promised goods or services being when the goods are dispatched to customer. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as sales, duties, commissions, sales discounts and discounts if any. Income from different sources other than above is recognized on the following basis:

- Interest Income is recognized on accrual basis.
- Dividend Income is recognized when the right to receive payment is established.

6.23 Related Party Transactions

The company enters into transactions with related parties, if any, on arm's length basis. Disclosures for transactions with related parties are determined using identifiable relative methods, except in extremely rare circumstances where, subject to approval of the Board of Directors it is in the interest of the company to do so.

6.24 Using Accounting Method to ascertain

Income tax is accounted separately in accordance with using the equity method of accounting. Under this method income tax is initially recognized at cost plus the company's equity is unattributed earnings and losses after applicable tax law requirements in the value of individual investments.

6.25 Staff Retirement Benefits

The company operates a defined benefit plan for gratuity scheme for all its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Contributions are made in fund on the basis of actuarial calculations. Actuarial valuation is carried out using the projected unit credit method. All actuarial gains and losses are recognized in the comprehensive income.

6.26 Share Capital

The Company presents basic unattributed earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

6.27 Dividend and Appropriations

Dividend is recognized as liability in period in which it is declared. Appropriation of profits are reflected in the statement of changes in equity for the period when appropriation is approved.

6.28 Warranty

The Company has made a policy to provide warranty to replace the damaged products for an average period of two years. The Company has a history of warranty law claims over the years, hence the same has been accounted for in the financial statements and this has no material impact on assessment of profit or loss and other comprehensive income and statement of cash flows.

6.29 Share Capital

Ordinary shares are classified as equity and recognized at their value.

7. SIGNIFICANT ACCOUNTING ESTIMATES

7.1 Operating Lease Term

	Operating Lease Term							31/03/2023	31/03/2022
	Car Value	Car Value	Car Value	Car Value	Car Value	Car Value	Car Value		
At 01/04/2021:									
Net	1,442,500	1,442,500	1,442,500	1,442,500	1,442,500	1,442,500	1,442,500	1,442,500	1,442,500
Accumulated Depreciation	(25,000)	(50,000)	(75,000)	(100,000)	(125,000)	(150,000)	(175,000)	(200,000)	(225,000)
At 31/03/2021	1,417,500	1,392,500	1,367,500	1,342,500	1,317,500	1,292,500	1,267,500	1,242,500	1,217,500
At 01/04/2022:									
Net	1,417,500	1,417,500	1,417,500	1,417,500	1,417,500	1,417,500	1,417,500	1,417,500	1,417,500
Accumulated Depreciation	(125,000)	(250,000)	(375,000)	(500,000)	(625,000)	(750,000)	(875,000)	(1,000,000)	(1,125,000)
At 31/03/2022	1,292,500	1,167,500	1,042,500	917,500	792,500	667,500	542,500	417,500	292,500
At 01/04/2023:									
Net	1,292,500	1,292,500	1,292,500	1,292,500	1,292,500	1,292,500	1,292,500	1,292,500	1,292,500
Accumulated Depreciation	(125,000)	(250,000)	(375,000)	(500,000)	(625,000)	(750,000)	(875,000)	(1,000,000)	(1,125,000)
At 31/03/2023	1,167,500	1,042,500	917,500	792,500	667,500	542,500	417,500	292,500	167,500



3.2. Analysis of Government debt assets by type of Government securities

Account	Category	Group of Expenditure	2023 Value	2022 Value
301.1. Treasury B. Loans		Treasury bills	4,800,000,000 EG Eq. 4	1,000,000,000 EG Eq. 4
301.1.1. Short-Term Instruments (Treasury Bills, Treasury Notes, Treasury Bonds)		Money market fund	4,800,000,000	1,000,000,000
301.1.2. Long-Term Instruments (Treasury Bills, Treasury Notes, Treasury Bonds)		Money market fund	4,800,000,000	1,000,000,000
301.1. Government Loans				
There is no Government loan being for sale.				
302. Government in administration order:		None	2023 Balance	2022 Balance
Cost of Goods Sold		31	1,000,000	4,000,000
Administrative Expenses		31	1,000,000	4,000,000
Marketing Expenses		31	1,000,000	4,000,000
			<u>3,000,000</u>	<u>8,000,000</u>
4. OTHER IN EQUITY				
Share and Share Premium			100,000,000	100,000,000
Reserve for Share			10,000,000	10,000,000
Reserve for Share			17,000,000	17,000,000
			<u>127,000,000</u>	<u>127,000,000</u>
5. EXPANDED DEBT				
Expanded Debt - expanded	7.1		100,000,000	100,000,000
Reserve for expanded credit - for allowance	7.2		100,000,000	100,000,000
			<u>200,000,000</u>	<u>200,000,000</u>
6. TRADE AND OTHER RECEIVABLES (NET OF PROVISIONS) AND PAYABLES (NET OF PROVISIONS) AND DEFERRED TAXES				
Trade receivables, receivables (net of provisions) and payables (net of provisions) are measured at fair value less expected credit losses in accordance with IFRS 9. The aging analysis of the trade receivables is as follows:				
Days 1 to 30 days			17,000,000	16,475,000
31 to 60 days			10,000,000	10,000,000
More than 60 days			10,000,000	2,000,000
			<u>37,000,000</u>	<u>28,475,000</u>
7. EXPANDED CREDIT LOSS PROVISIONS				
The expanded credit loss (ECL) have been provided in accordance with IFRS 9. ECL credit under IFRS 9 and the company considers that the allowance for expanded credit loss is adequate to cover any default in receivables of balances it faces the occurrence of impairment for the year as follows:				
Balance at July 01			100,000	100,000
Provision made (reversed) during the year			100,000	100,000
			<u>200,000</u>	<u>200,000</u>
8. EMPLOYEE BENEFITS AND PROVISIONS				
Liabilities in Profitable	8.1		1,000,000	1,000,000
Liabilities in Loss	8.2		1,000,000	1,000,000
Other provisions			1,000,000	1,000,000
Liabilities in Profitable			1,000,000	1,000,000
			<u>3,000,000</u>	<u>3,000,000</u>
9.1. Liabilities to employees on profit-sharing provisions expense and an equal to each other expense as detailed. Advances on the provisions are of their general fund - calculated from their share for respective month.				
9.2. The expanded credit loss (ECL) have been provided in accordance with IFRS 9. ECL credit under IFRS 9 and the company considers that the allowance for expanded credit loss is adequate to cover any default in receivables of balances it faces the occurrence of impairment for the year as follows:				



	2023	2022
	Report	Report
II. DEFERRED TAXES - NET		
Advance taxes on Contract revenue - for 20 years	12,000,000	12,000,000
	<u>12,000,000</u>	<u>12,000,000</u>
Other tax	1,000,000	1,000,000
	<u>13,000,000</u>	<u>13,000,000</u>
III. ADVANCE TAXES AGAINST THE AMOUNT OF INCOME TAX (INCOME TAX DEFERRED) RELATED TO IFRS AS A RESULT OF BE WITHHOLD ON REPORT DATE AND THE CLOSURE AS WELL AS		
IV. EQUILIBRIUM SHEET BALANCES		
Total assets	1,178,000	1,178,000
Total liabilities (to account owners)	<u>1,178,000</u>	<u>1,178,000</u>
VI. SHARE CAPITAL		
AUTHORIZED		
1,000,000 (1000) Ordinary shares of 100 SR each	<u>10,000,000</u>	<u>10,000,000</u>
ISSUED AND SUBSCRIBED UPON BALANCE SHEET DATE		
70,000,000 (70000) shares of 100 SR each fully paid up	7,000,000	7,000,000
2,000,000 (20000) shares of 100 SR each issued at discount	<u>200,000</u>	<u>200,000</u>
	<u>7,200,000</u>	<u>7,200,000</u>
VI.1 There was agreement with any shareholder for voting rights, board election, rights of the shares, withdrawal voting		
VII. RESERVES	<u>15,000,000</u>	<u>15,000,000</u>
Capital Reserve		
Share Reserve	15,000,000	15,000,000
This reserve was established for the company only for the purposes specified in the Memorandum of Association for AL-KHAIR, GADOON LTD.		
Reserve Reserve		
Un appropriated Profit	<u>15,000,000</u>	<u>15,000,000</u>
	<u>15,000,000</u>	<u>15,000,000</u>
VIII. Long Term Loans		
	2000	2000
	<u>2000</u>	<u>2000</u>
VIII.1 Bank Bank Term Finance	15,000,000	15,000,000
Less Provisions of Term Finance	<u>13,000,000</u>	<u>13,000,000</u>
	<u>2,000,000</u>	<u>2,000,000</u>
The Company has obtained a loan from Bank Saudi Bin Laden according to IFRS 9 (2017) which is only in form of 200,000 SR. The amount requires to satisfy conditions, consisting financing by 100% over a rate of 7 percentage per 12, 2023. The fully committed up until 2024 for the project assets.		
VIII.2 Maturity of Long Term Loans		
As a happening of the year	15,000,000	15,000,000
(Reduced during the year	-	-
Repayment/Provision	<u>13,000,000</u>	<u>13,000,000</u>
accrued at the year	<u>2,000,000</u>	<u>2,000,000</u>
IX. EQUILIBRIUM SHEET RELATED ASSETS		
SHARES HELD BY THE COMPANY		
Own Shares/Profit Share	-	1,000,000
Less Provisions of Share/Profit Share	<u>-</u>	<u>1,000,000</u>
	<u>-</u>	<u>1,000,000</u>



Movement in liabilities recognized

	2023	2022
Balance at 1/1/23	-	1,000,000
Liability arising for year	-	200,000
Expenses during the year	2,000,000	1,000,000
Balance at 31/12/23	2,000,000	2,000,000

	2023			2022		
	Minimum Value	Maximum Value	Weighted Value	Minimum Value	Maximum Value	Weighted Value
Net fair value per share			2000			2000
Less fair value per share for treasury shares			(2000)			(2000)
			2000			2000

18.2 The expense incurred from arrangements with Bank of India Limited for issuing of shares of Rs. 1000 each was equally in equity tools in shares and in the form of charges and interest payable thereon. The interest charges are not included under interest in the financial statements. After year 2023, the company has paid all the expense for issue liability during the year under the specific liability (P&L) account.

19. DEFERRED LIABILITIES

	2023	2022
Deferred Taxation	10.2	1,000,000
Others	10.2	1,000,000
	20.4	2,000,000

19.1 Deferred tax credits (related to equity)

	2023	2022
Provision for share premium	10.2	1,000,000
Provision for share premium	10.2	1,000,000
Provision for reserves	10.2	1,000,000
	30.6	3,000,000

19.2 The Company provides a deferred tax provision against equity, which is an expense recognized when the company is required to pay tax on the gains in the period of the disposal of the asset. The deferred tax is calculated based on the tax rates applicable to the company at the end of the reporting period. Actual change in each charge for the period is reported in Profit and Loss Account.

19.2 Movement in liabilities recognized

	2023	2022
Net liability at the beginning of the year	1,000,000	1,000,000
By movement in equity in India	-	1,000,000
Amortization/Interest	1,000,000	1,000,000
Revaluation in movement	1,000,000	1,000,000
Change for the year	1,000,000	1,000,000
Revalued during the year	1,000,000	1,000,000
	3,000,000	3,000,000

19.2.1 Movement in Provision value of deferred tax credits

	2023	2022
Provision value of deferred tax credits	10.2	1,000,000
Change in movement	1,000,000	1,000,000
Amortization	1,000,000	1,000,000
Revaluation	1,000,000	1,000,000
By Movement	1,000,000	1,000,000
Revaluation in movement	-	1,000,000
	3,000,000	3,000,000

19.2.2 Expense recognized in Profit & Loss account

	2023	2022
Current expenses	1,000,000	1,000,000
Interest cost	1,000,000	1,000,000
	2,000,000	2,000,000

19.2.3 Financial statement description

	2023	2022
Shareholder used for share issue P&L charge	10.2%	10.2%
Shareholder used for year-end charge	10.2%	10.2%
Shareholder used for interest payable	10.2%	10.2%
Average reported remaining life in charge	10.2%	10.2%

Reported charge in Profit & Loss Account for the year ended 31/12/2023 is Rs. 2,000,000 in the P&L, 2023 in respect of liability.



5.2.7 Sensitivity Analysis on P&L 2023

A sensitivity analysis for the above-mentioned financial magnitudes as of the statement of financial position has been shown from the below financial obligation credit items have suffered by changes in the said magnitudes as follows:

Change Value of Related Financial Obligations	Financials -2%	Financials +2%	Shareholders -2%	Shareholders +2%
	(\$M)	(\$M)	(\$M)	(\$M)
12. SHAREHOLDERS EQUITY				
Equity attributable to ordinary shareholders (continued)			16,177,496	16,177,496
Reserves from operations (continued)	16.1	16,177,496	16,177,496	16,177,496
Share in Subsidiaries			1,298,978	1,298,978
Investment Income			1,200,000	1,200,000
Other			1,200,000	1,200,000
Provision for Minority Share			11,413	11,413
			<u>19,875,887</u>	<u>19,875,887</u>

13.4 Management accounts departmental expenses by the statement of profit and loss:

13. MANAGEMENT EXPENSES

Management Expenses		<u>17,688</u>	<u>17,688</u>
---------------------	--	---------------	---------------

13.5 The expense relating to related from statement of profit and loss:

13. RELATED PARTY TRANSACTIONS

Supplier/Contractor - Related			
Staffs - (Expense against departmental expense)	12.1	12,488,478	12,488,478
Loan from Director - (continued)	12.2	79,282,420	79,282,420
		<u>91,770,898</u>	<u>91,770,898</u>

13.6 The Company has provided the facilities of finance against departmental expense from Bank AL-KHAIR Ltd. and Al-Khair Finance Co. (P.L.C) - 10 million. The facility amount made up of facility amount under 1 month (100%) plus 10% (10%) (10) interest per annum. The facility is secured against the net liquid assets, pledge of liquid assets and personal guarantees of Director/Shareholders. The Company has also been provided facility for purchase of credit (10%) for the 10% interest (10%) for 10 months against net assets. The facility is secured against the net liquid assets of liquid assets of the company.

13.7 This expense for interest has been included in departmental expense against departmental expense of the Company. It is interest and income that was added to expense on interest through facility closed to cash. The expenditure will be shown as related party expenditure.

13. OTHER RELATED PARTY TRANSACTIONS

This expense amount of related party income arising in departmental expense on related party. This amount arising expenditure is a profit bearing account and profit will be added for departmental expenditure and other equity program.

13. OTHER RELATED PARTY TRANSACTIONS

13.1 Contingencies

The statement has been issued guarantee in favor of the Company amounting to the following (100) / \$1,000,000.

13.2 Contingencies

Contingencies in favor of Loans of credit for the year amounting to the following (100) / \$1,000,000, for security from the AL-KHAIR, Ltd. and for the year plus with Bank/AL-KHAIR Ltd. and others.

13. RELATED PARTY TRANSACTIONS

	2023 Balance	2022 Balance
Contingencies	1,000,000,000	1,000,000,000
Other Related	1,000,000,000	1,000,000,000
Trade Related	1,000,000,000	1,000,000,000
	<u>3,000,000,000</u>	<u>3,000,000,000</u>

13.8 All financials and P&L for the year and equity statements are included in the schedule in the table for the P&L where value can be changed annual price. This has not made changes to equity, except additional financials and other related to expenditure will be represented of financial stability to the Company for 2023 financial statement of the Company.



22. **STATE OF LIABILITIES**

		2023	2022
Opening total of non-current liabilities		282,047,375	282,047,375
Interest		207,231,504	207,231,504
Opening total of non-current liabilities		<u>489,278,879</u>	<u>489,278,879</u>
Pay received and other (long-term contracts)		12,000,000	12,000,000
Share, capital and other securities	25.1	28,710,000	12,000,000
Account Payable and advances		18,000,000	18,000,000
Equity contribution		2,000,000	2,000,000
Dividend received	50	2,000,000	2,000,000
Interest		1,200,000	1,200,000
Opening total of equity increase		<u>64,910,000</u>	<u>45,200,000</u>
Opening total of equity increase		<u>64,910,000</u>	<u>45,200,000</u>
Contributable surplus		20,000,000	20,000,000
Opening total contribution paid		<u>84,910,000</u>	<u>65,200,000</u>
Opening total contribution paid		<u>84,910,000</u>	<u>65,200,000</u>
Contribution paid		20,000,000	20,000,000

22.2 Share, capital and other securities include the amount of (20%) in contribution in respect of share beneficiary under the share equity plan.

23. **ADMINISTRATIVE EXPENSES**

		2023	2022
General expenses		1,700,000	1,700,000
Share in profits		1,000,000	1,000,000
Traveling & Company	25.1	1,000,000	1,000,000
Travel expenses in advance		200,000	200,000
Vehicle license		200,000	200,000
Vehicle maintenance		200,000	200,000
Lease & transportation charge		200,000	200,000
Account administrative charge		200,000	200,000
Printing & advertising	25.1	200,000	200,000
Staff welfare		200,000	200,000
Commission		200,000	200,000
Other charge		100,000	100,000
Fixed subscriptions		100,000	100,000
Depreciation	50	1,000,000	1,000,000
Advertisement		200,000	200,000
Station charges		200,000	200,000
Share in administrative charge	25	200,000	200,000
Special contributions		200,000	200,000
Interest		1,000,000	1,000,000
Amortization		200,000	200,000
Share issue cost		1,000,000	1,000,000
		<u>10,000,000</u>	<u>10,000,000</u>

23.2 Share and other benefits include (20%) (20%) (20%) in respect of defined benefit plan under the share equity plan.

24. **OTHER INFORMATION**

Profit in		100,000	100,000
Equity-linked notes of half year financial statement		100,000	100,000
Contribution expense		100,000	100,000
		<u>300,000</u>	<u>300,000</u>

25. **ADMINISTRATIVE EXPENSES**

Share in profits	25.1	1,000,000	1,000,000
Staff welfare		1,000,000	1,000,000
Commission		200,000	200,000
Printing and advertising		200,000	200,000
Marketing and selling		200,000	200,000
Traveling and company		1,000,000	1,000,000
Vehicle license and maintenance		200,000	200,000
Lease and transportation charge		200,000	200,000
Depreciation	50	1,000,000	1,000,000
Advertisement		200,000	200,000
		<u>6,000,000</u>	<u>6,000,000</u>

25.2 Share and other benefits include (20%) (20%) (20%) in respect of defined benefit plan under the share equity plan.



		2023 Sgd Expn	2022 Sgd Expn						
16 FINANCE INCOME									
Bank and other bank financing		1,027,871	1,000,000						
Bank & investment charges		27,246	27,246						
		<u>1,055,117</u>	<u>1,027,246</u>						
17 OTHER OPERATING EXPENSES									
Wakaf Bank Zakat/Income Fund - WBF		1,201,000	1,200,000						
Wakaf Zakat Fund - WZF		29,000	29,000						
		<u>1,230,000</u>	<u>1,229,000</u>						
18.1 Wakaf Bank Zakat/Income Fund - WBF									
Balance at 01/01		1,222,000	1,215,000						
Provision for bad debt		1,201,000	1,200,000						
Provision for doubtful debt		1,222,000	1,215,000						
Balance at 31/12		<u>1,201,000</u>	<u>1,200,000</u>						
18.2 OTHER OPERATING INCOME									
Income from Bank Deposits		1,275,000	1,215,000						
Business Other - Other		50,700	100,000						
		<u>1,325,700</u>	<u>1,315,000</u>						
19 INCOME FROM OPERATIONS									
Current Income									
For the year		1,225,700	1,215,000						
For prior year		1,325,700	1,315,000						
Adjusted Income		<u>1,225,700</u>	<u>1,215,000</u>						
20.1 Relating to Income Income for operations and non-relating to:									
Profit before taxation		<u>1,225,700</u>	<u>1,215,000</u>						
Tax at the applicable rate rate of 0% (20% until 2019)		1,225,700	1,215,000						
Tax effect:									
Income tax deductible for tax expense		50,000	50,000						
Income tax expense for tax expense Income		50,000	50,000						
Income tax expense of 0% at rate		1,225,700	1,215,000						
Adjustment for income tax effect of 0% at rate		-	1,215,000						
Income tax expense of 0% at rate		1,225,700	1,215,000						
Income tax expense		<u>1,225,700</u>	<u>1,215,000</u>						
Effective rate of tax		0.0%	0.0%						
20.2 SUBSIDIES RECEIVED - Non-current									
There is no income effect on the basic earnings per share of the Company, which is based on:									
Number of shares before taxation	(Share)	12,257,000	12,150,000						
Number of shares after taxation	(Share)	12,257,000	12,150,000						
Number of shares outstanding	(Share)	12,257,000	12,150,000						
Change in share distributions	(Share)	0.00	0.00						
Change in share distributions	(Share)	0.00	0.00						
21 MEMBERSHIPS OF BOARD OF DIRECTORS, EXECUTIVE AND INDEPENDENT									
		2023	2022	2021	2020	2019	2018	2017	2016
Independent Non-executive	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Other executives	1,000.00	1,000.00	-	-	-	-	-	-	-
Directors					2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Total	<u>2,000.00</u>	<u>2,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>	<u>2,000.00</u>	<u>2,000.00</u>	<u>2,000.00</u>	<u>2,000.00</u>	<u>2,000.00</u>
Number of Shares									



Management and other facilities of the Company and its branches will be conducted with the policy provided by the Board of Directors of the Company. The management is public. The Executive Director and Independent Director of the Company. The Company submitted various financial statements in compliance with the approval of the board.

8.1 Financial Statements

8.1.1 Cash flow

The Company's cash flow statement is presented with the following details:

Expenses in Cash flow

The carrying amount of financial assets represents the maximum cash exposure. The maximum exposure is confirmed as reported in the table:

	2023 Riyals	2022 Riyals
Trade receivables	10,000,000	10,000,000
Advances to staff	1,000,000	1,000,000
Advances to suppliers	1,000,000	1,000,000
Trade payables	1,000,000	1,000,000
	<u>13,000,000</u>	<u>13,000,000</u>

The trade receivables are the operating activities of the company. The aging of trade receivables information is as follows:

	2023 Riyals	2022 Riyals
Trade receivables	10,000,000	10,000,000
Advances to staff	1,000,000	1,000,000
Advances to suppliers	1,000,000	1,000,000
Trade payables	1,000,000	1,000,000
	<u>13,000,000</u>	<u>13,000,000</u>

Based on the financial records, the company follows the accounting standards in respect of financial assets and liabilities is required except for the provisions provided for impairment accounting (10,000,000 / 100% / 100%).

8.1.2 Receivable

A liability that is expected that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its financial obligations without recourse to external financing, without incurring unacceptable financial risk. The company's approach is to ensure that the company's liquidity is sufficient to meet its financial obligations, including interest payments and working for the support of working operations. The

2023	Carrying amount	Contractual liabilities	Net financial asset	Maximum liability	Due to the Group	Due to the Group
Trade and other receivables	10,000,000	10,000,000	10,000,000	10,000,000	-	-
Trade payables	1,000,000	1,000,000	1,000,000	-	-	-
Advances to staff	1,000,000	1,000,000	1,000,000	-	-	-
Advances to suppliers	1,000,000	1,000,000	1,000,000	-	-	-
Maximum liability	13,000,000	13,000,000	13,000,000	13,000,000	-	-
Total	<u>13,000,000</u>	<u>13,000,000</u>	<u>13,000,000</u>	<u>13,000,000</u>		

2022	Carrying amount	Contractual liabilities	Net financial asset	Maximum liability	Due to the Group	Due to the Group
Trade and other receivables	10,000,000	10,000,000	10,000,000	10,000,000	-	-
Trade payables	1,000,000	1,000,000	1,000,000	-	-	-
Advances to staff	1,000,000	1,000,000	1,000,000	-	-	-
Advances to suppliers	1,000,000	1,000,000	1,000,000	-	-	-
Maximum liability	13,000,000	13,000,000	13,000,000	13,000,000	-	-
Total	<u>13,000,000</u>	<u>13,000,000</u>	<u>13,000,000</u>	<u>13,000,000</u>		

8.1.3 Other

Market risk is the risk that the value of financial instruments will fluctuate because of changes in interest rates, foreign exchange rates, commodity prices and credit risk. The risk will affect the Company's income or the value of its financial instruments.

**5.2.1 Interest Rate Risk**

The management aims to identify the fair value of the items and forward a memorandum will discuss various changes in market conditions. Majority of the interest rate exposure arises from long-term financing and short-term borrowings, with no reporting for the interest rate risk profile of the Company's interest-bearing financial instruments is:

Particulars	2023 (\$ million) or %	2022 (\$ million) or %
Variable Rate Instruments Financial liabilities	18,819 (24.1)	4,321 (10.9)
Fixed Rate Instruments Financial liabilities	23,871 (30.2)	18,125 (45.9)

5.2.2 Fair value of available-for-sale financial instruments

The company does not anticipate any fair value financial assets and liabilities in the value through profit and loss. Therefore a change in measurement of the reporting date would not affect profit and loss account.

5.2.3 Change in fair value available-for-sale financial instruments

A change in fair value of the items in interest rate in the reporting date would have increased/decreased profit/loss by the amount shown below. This analysis assumes that all other variables, in a particular change circumstances, remain constant. The analysis is conducted on the same basis as for the previous year.

		2023 (\$ million)	2022 (\$ million)
Available for sale	Income	27,447	27,475
Available for sale	Expense	(2,874.88)	(2,281.28)

The sensitivity analysis prepared does not necessarily indicate the effect on Profit/loss per year and other liabilities of the company.

5.2.4 Inflation

This risk is to be met that the fair value of financial assets and financial liabilities will fluctuate because of changes in underlying prices (other than those arising from derivatives) in the company. The company is not exposed to significant risk in their current financial instruments or in the reporting for the an underlying asset/liability.

5.2.5 Currency Risk

The company is exposed to currency risk arising from non-monetary liability denominated in US Dollars. The company's exposure to foreign currency risk for US Dollars is as follows:

	2023 (\$ million)	2022 (\$ million)
Contractual Liabilities of US Dollars	18,819.00	4,321.00
Contractual Assets of US Dollars	(16.00)	(16.00)
Contractual Liabilities of US Dollars	18,803.00	4,305.00

5.2.6 Available-for-sale

In reporting date, if the FRB had strengthened by 50% against the foreign currencies will all other variables held constant, gain or profit for the year would have been higher by the amount demonstrated, mainly as a result of foreign exchange gain in measurement of monetary asset of credits.

	2023 (\$ million)	2022 (\$ million)
The effective profit and loss account is	Income	24,572.22
	Expense	1,004.75

The sensitivity of FRB against foreign currencies would have a slight loss against impact the year net profit. The sensitivity analysis prepared is not necessarily indicative of the effect on the profit/loss for the measurement liabilities of the Company.

5.3 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the price that would be received from an asset or liability in a market in a highly active market between willing market participants in measurement date.

5.4 Capital Risk Management

The Company's primary objective when managing capital is to safeguard its ability to continue as going concern by either in provide adequate means for distribution and liquidity to other stakeholders and to ensure sufficient capital resources to sustain the overall capital.

In order to maintain or adjust capital structure, the Company may adjust the amount of dividend paid to shareholders, increase shares or sell assets and reduce debt.

Consistent with other stakeholders, the Company maintains capital on the basis of the going concern. This includes dividend payable distributable and capital employed that capital employed is a substituted equity or shown in the statement of financial position. The risk:



Total Sales
Total Assets
Total Capital/Investment
Shareholder Ratio

2023 Sales	2023 Assets
10,768,000	10,768,000
10,768,000	10,768,000
10,768,000	10,768,000
100%	100%

21. FINANCIAL TOOLS WITH BELONGING PARTIES

The Company's related parties include associated companies, entities over which it exercises or exercises significant influence, associates, affiliated entities and persons having management control. Related transactions with related parties during the period for which this report has been prepared should be disclosed in the financial statements as follows:

The associate indicated parties are omitted except for significant. However, no associated influence of this Company's shareholding. During the year, there are no transactions recorded.

22. FINANCIAL INSTRUMENTS BY CATEGORIES

22.1 BY Measurement Category

as at 31st/12/2023

Financial Assets	2023 Measurement Category			
	Carrying amount at the end of the period	Impairment at the end of the period	Amortized cost	Fair value through OCI
Financial Assets				
Cash and bank	10,768,000	-	10,768,000	-
Accounts receivable and prepayments	10,768,000	-	10,768,000	-
Debt and bank balances	10,768,000	-	10,768,000	-
10,768,000	-	10,768,000	-	
as at 31st/12/2022				
Cash and bank	10,768,000	-	10,768,000	-
Accounts receivable and prepayments	10,768,000	-	10,768,000	-
Debt and bank balances	10,768,000	-	10,768,000	-
10,768,000	-	10,768,000	-	
Financial Liabilities				
as at 31st/12/2023				
Debt and other payables	10,768,000	-	10,768,000	-
Share payables	10,768,000	-	10,768,000	-
Debt and bank balances	1,000,000	-	1,000,000	-
10,768,000	-	10,768,000	-	
as at 31st/12/2022				
Debt and other payables	10,768,000	-	10,768,000	-
Share payables	10,768,000	-	10,768,000	-
Debt and bank balances	1,000,000	-	1,000,000	-
10,768,000	-	10,768,000	-	



61. STATE OF FINANCIAL PERFORMANCE

Profitability ratios

Return on investment ratio
 Operating margin (profit before interest charge)
 Return on assets
 Return on equity
 Return on capital employed
 Return on investment (profit before interest charge)
 Return on investment (net profit)

2023 2022

2023	2022
10.2%	10.1%
10.2%	10.1%
10.2%	10.1%
10.2%	10.1%
10.2%	10.1%
10.2%	10.1%
10.2%	10.1%

Operating profit before interest charge

Return on investment (operating profit)

Return on assets
 Return on equity
 Return on capital employed
 Return on investment (operating profit)

2023	2022
10.2%	10.1%
10.2%	10.1%
10.2%	10.1%
10.2%	10.1%

Return on investment (operating profit)

Return on assets
 Return on equity
 Return on capital employed

2023	2022
10.2%	10.1%
10.2%	10.1%
10.2%	10.1%

62. EQUITY AND LIABILITIES

Total assets
 Total liabilities - in some cases

2023	2022
10.2%	10.1%
10.2%	10.1%
10.2%	10.1%

63. RETURN ON INVESTMENT (OPERATING PROFIT) RATIO AND RATIO OF RETURN ON INVESTMENT (OPERATING PROFIT) TO TOTAL ASSETS

Return on investment (operating profit)

Return on investment (operating profit)
 Total investment (operating profit)

Year	2023	2022
Return on investment (operating profit)	10.2%	10.1%
Total investment (operating profit)	10.2%	10.1%
Ratio	10.2%	10.1%

64. RETURN ON INVESTMENT (OPERATING PROFIT) RATIO

Return on investment

Return on investment

2023	2022
10.2%	10.1%
10.2%	10.1%

It is reported in notes that the company's return on investment is the lowest of the products. The only reason of that is that the production cost is high. There is no average flow, except for the 10% of the production, making it more difficult to control and to get the best return on investment and to increase it by other means.

65. EMPLOYMENT AND PRODUCTIVITY

Number of employees in the firm

Number of employees in the firm

2023	2022
100	100
100	100

66. OPERATIONAL POLICY AND GENERAL

How has the company performed in the year?

Operating figures have been classified to allow more appropriate presentation of assets and liabilities for comparative purposes.

67. STATE OF LIABILITIES

These financial statements are subject to the law in Jordan, in accordance with the law of the State of Jordan.


MOHAMED H. AL-KHAIR
 CHAIRMAN


MOHAMED H. AL-KHAIR
 CHIEF EXECUTIVE


MOHAMED H. AL-KHAIR
 CHIEF FINANCIAL OFFICER





**PATTERN OF HOLDING OF THE SHARES HELD
BY THE MEMBERS OF AL-KHAIR GADOON LIMITED
AS AT JUNE 30, 2023**

Sl. No.	Number of Shareholders	No. of Shares		Total Shares Held
		Common	Res.	
1	54	1	100	100
2	107	501	500	10,000
3	47	501	1000	47,000
4	38	1001	1000	38,000
5	18	5001	10000	71,500
6	7	10001	10000	70,000
7	0	15001	20000	30,000
8	0	30001	20000	35,000
9	0	50001	30000	30,000
10	0	40001	40000	41,000
11	0	150001	100000	151,717
12	0	180001	100000	180,000
13	0	280001	200000	280,000
14	0	350001	270000	374,500
15	0	380001	200000	380,000
16	0	490001	200000	490,000
17	0	500001	500000	500,000
18	3	600001	600000	1,800,000
19	0	640001	600000	640,000
20	0	700001	800000	800,000
21	0	910001	900000	911,000
22	0	2000001	2000000	2,000,000
	104			10,000,000

Category of Shareholders	No. of Shareholders	No. of Shares held	Percentage
Individuals	54	9,700,000	97.000%
Investment Companies	1	100	0.001%
Joint Stock Companies	4	200,500	2.000%
	104	10,000,000	100.000%



PATTERN OF SHAREHOLDING

		No. of Shares	Percentage	
1	SHARES HELD BY SCP	200	0.00%	
2	DIRECTORS			
	a) Mr. Mohammed Adel Sheikh	Chairman/Director	1,960,000	29.84%
	b) Mr. Mohammed Amin Sheikh	Chief Executive	975,000	14.70%
	c) Mr. Mohammed Raed Sheikh	Director	400,000	6.00%
	d) Mrs. Nafisa Amin	Director	400,000	6.00%
	e) Mr. Farouk Alhal	Director	400,000	6.00%
	f) Mrs. Fawzan Saoud	Director	400,000	6.00%
	g) Mr. Adel Hajer	Independent Director	500	0.00%
	h) Mr. Khaled Subhani	Independent Director	500	0.00%
			3,176,000	48.54%
3	SPOUSE AND CLOSE RELATIVES			
	a) Mr. Nabeen Adel bin M. Adel Sheikh		400,000	6.00%
	b) Mr. Mohammed Raed		400,000	6.00%
	c) Mr. Mohammed Saoud		774,000	11.73%
			1,574,000	23.73%
4	PUBLIC SECTOR COMPANIES	280,000	4.20%	
5	MISCELLANEOUS AND LEASING COMPANIES	1,000	0.01%	
6	GENERAL PUBLIC	1,442,000	21.87%	
		3,498,000	52.85%	
7	SHAREHOLDING 1% OR MORE			
	Please refer to Serial No. 2 and 3 above.			
8	Trade in the shares of the Company by Director, CEO, CFO, Company Secretary, Executives and their Spouse and Minor Children.			
	Name	Subj	Purchase	
	Mohammed Adel Sheikh	-	1,960,000	



Jama Punji
Smart Investment Platform

**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

- 1. Licensed Broker Verification on Seam mode*
- 2. Jamapunji games*
- 3. Tax credit calculator*
- 4. Company Verifier
- 5. Investor & Investment Checklist
- 6. FAQs browser
- 7. Stock trading simulator (based on live feed from NSE)
- 8. Knowledge center
- 9. How profit*
- 10. Finance calculator
- 11. Subscription to alerts, event notifications, corporate and regulatory updates
- 12. Jamapunji application for mobile devices
- 13. Online Quizzes

SEBI (Securities and Exchange Board of India)

www.sebi.gov.in **www.jamapunji.pk**

© 2023 All rights reserved by Al-Khair Gadpoh Limited

**FORM OF PROXY**

I/We _____

of _____

being a member of Al-Khair Gadoon Limited and holder of _____ Ordinary Shares as
per registered Folio No./CSC Participant's ID and Account No. _____ Sub-Account
No. _____ hereby appoint _____ (Name)

or failing thereof _____

(Name) _____

of _____

who is also a member of the Company vide registered Folio No./CSC Participant's ID and Account
No. _____ as my / our proxy to vote for me / us and as my / our behalf at the 20th
Annual General Meeting of the Company to be held at Registered Office at 10/1, Phase III, Industrial
Estate, Gadoon Amal, District Swat, Khyber Pakhtunkhwa, on Friday October 26, 2023 at 09:00
A.M. and at every adjournment thereof.

As witness my hand this _____ day of
_____ 2023.

signed by the said _____ in the presence
of _____

Signature:

Signature Across Two Pages
Revenue Stamp

Note: Proxies, in order to be effective, must be received at the Corporate Office of the Company at Al-Khair Bazaar, 45 - T, Gulberg II, Lahore, not less than forty eight hours before the time for holding the meeting unless so directed, stated and witnessed.

AL-KHAIR GADODH LTD.



Alkhair Foam



Aramco أرامكو



E-FOAM



SERENEFOAM
by Aromaco



Alkhair Foam

CONTACT US

Al-Khair House, 45-T, Gulberg II, Lahore.

Mobile: +92-342-4311-111 | Tel: (+92-42) 35718580-86

E-mail: info@alkhairgadodh.com

 www.alkhairgadodh.com